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#### REMARKS

The present response is intended to be fully responsive to all points of objection and/or rejection raised by the Examiner and is believed to place the application in condition for allowance. Favorable reconsideration and allowance of the application is respectfully requested.

Applicants assert that the present invention is new, non-obvious and useful. Prompt consideration and allowance of the claims is respectfully requested.

#### Status of Claims

Claims 1-25 are pending in the application. Claims 1-25 have been rejected. Claims 1, 3, 6-8, 11, 15, 18 and 22 have been amended. New claim 26 has been added in order to further define what Applicants consider to be the invention. Applicants respectfully assert that no new matter has been added.

### **CLAIM REJECTIONS**

# 35 U.S.C. § 102 Rejections

In the Office Action, the Examiner rejected claims 1 - 12, 14 - 16 and 18 - 24 under 35 U.S.C. § 102(b), as being anticipated by Lindsey et al. (US 5,063,507).

Applicants respectfully traverse this rejection in view of the remarks that follow.

Lindsey et al. discloses a commodity trading system and discusses how such a system operates for trading cotton bales. The described trading system is a computerization of an existing trading and title system for cotton bales.

Lindsey et al. state:

"The invention is described in connection with the preferred embodiment, that is, the trading of the cotton commodity and the use of an electronic warehouse receipt to simplify and expedite the trading operations. It is to be understood, however, that the principles and concepts of the invention can be utilized in other environments, and APPLICANT(S): Heilper et al.

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are not thereby limited to commodities or the equipment shown." (col. 2, lines 60 -67)

Despite the broad words, Lindsey et al. does not teach nor suggest and the Examiner does not suggest that Lindsey et al. teaches or suggests "tracking title to retail products" as recited in new claim 26, since there has never been title on individual retail products. Lindsey et al. computerized an existing title system. The invention as recited in claim 26, on the other hand, provides a title system where one never existed before. Therefore, Lindsey et al. cannot anticipate new claim 26.

Claims 1 and 7 have been made dependent on new claim 26 and they and claims 3, 6 and 8, dependent therefrom, have been amended to read -retail product - rather than "item".

Lindsey et al. deals with the issues involved in commodity trading. These involve following title and registering the appraisal of the cotton bales. However, commodity trading does not deal with counterfeit goods; the goods to be traded are existing and known. There is no issue of counterfeit detection in commodity trading. Thus, Lindsey et al. does not teach "A counterfeit detection method" as recited in independent claims 11 and 15. Moreover, Lindsey et al. does not suggest that their system can be utilized for detection of counterfeit products. Therefore, Lindsey et al. cannot anticipate amended claims 11 and 15. In order to further define what Applicants consider to be the invention, claims 11 and 15 have also been amended to read -retail product-rather than "item".

As mentioned hereinabove, Lindsey et al. provides a trading system for commodities. Therefore, Lindsey does not have "a unit to receive queries regarding a retail product and a holder of said retail product and to provide verification of authenticity of said retail product, if said holder is registered in said storage unit as the authorized owner of said retail product." (emphasis added) as recited in amended independent claim 18. Nor does Lindsey et al. teach such a unit. Therefore, Lindsey et al. cannot anticipate amended claim 18.

Similarly, with respect to independent claim 22, Lindsey et al. do not teach nor suggest "a unit to query an authentication unit to certify that the authorized owner of said retail product is the owner registered in said point of sale unit." (emphasis added). Therefore, Lindsey et al. cannot anticipate amended claim 22.

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Accordingly, Applicants respectfully assert that independent claims 11, 15, 18, 22 and 16 are allowable. Claims 1 - 10, 12, 14, 16 and 19 - 21 depend from, directly or indirectly, independent claims 11, 15, 18, 22 and 16 and therefore include all the limitations of those claims. Therefore, Applicants resepectfully assert that claims 1 - 10, 12, 14, 16 and 19 - 21 are likewise allowable. Accordingly, Applicants respectfully request that the Examiner withdraw the rejections to claims 1 - 12, 14 - 16 and 18 - 24.

## 35 U.S.C. § 103 Rejections

In the Office Action, the Examiner rejected claims 13, 17 and 25 under 35 U.S.C. § 103(a), as being unpatentable over Lindsey et al. in view of Bridgelall et al. (US 6,415,982).

Applicants respectfully traverse the rejection because a prima facie case of obviousness has not been established.

The combination of Lindsey et al. and Bridgelall does not teach or suggest all the limitations of independent claims 11, 15 and 22, nor does it teach or suggest all the limitations of dependent claims 13, 17 and 25. Lindsey et al. has been discussed above. That discussion is applicable here. Bridgelall is also silent as to both "A counterfeit detection method", as recited in independent claims 11 and 15, and "a retail product", as recited in independent claims 11, 15 and 22, and therefore cannot cure the deficiencies of Lindsey et al.. Accordingly, Applicants respectfully assert that this rejection should be withdrawn.

An obviousness rejection requires a teaching or a suggestion by the relied upon prior art of all the elements of a claim (M.P.E.P. §2142). Lindsey et al. and Bridgelall, alone or in combination, do not teach or suggest all the elements of any of independent claims 11, 15 and 22, and thus, the Examiner has failed to establish a prima facie showing.

In view of the foregoing amendments and remarks, the pending claims are deemed to be allowable. Their favorable reconsideration and allowance is respectfully requested.

Should the Examiner have any question or comment as to the form, content or entry of this Amendment, the Examiner is requested to contact the undersigned at the telephone number below. Similarly, if there are any further issues yet to be resolved to advance the prosecution of this application to issue, the Examiner is requested to telephone the undersigned counsel.

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Please charge any fees associated with this paper to Deposit Account No. 09-0468.

Respectfully submitted,

Stephen C. Kaufman Reg. No. 29,551

Phone No. (914) 945-3197

**IBM Corporation** Intellectual Property Law Dept. P. O. Box 218 Yorktown Heights, New York 10598